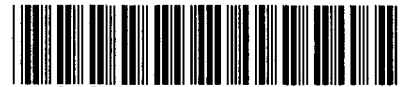


ORIGINAL

NEW APPLICATION



0000139006

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

Arizona Corporation Commission

DOCKETED

AUG - 2 2012

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COMMISSIONERS

GARY PIERCE, Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

DOCKETED BY	nr
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IN THE MATTER OF THE APPLICATION  
OF JOHNSON UTILITIES, L.L.C., DBA  
JOHNSON UTILITIES COMPANY, FOR  
APPROVAL OF A NEW NON-POTABLE  
WATER TARIFF.

DOCKET NO. WS-02987A-12-0350

APPLICATION FOR APPROVAL OF  
NEW NON-POTABLE WATER TARIFF

Johnson Utilities, L.L.C. ("Johnson Utilities" or the "Company") hereby files the attached new Non-Potable Water Service Tariff ("Non-Potable Water Tariff"), together with revised Table of Contents sheets ii.2 and iii.2 identifying the new tariff section, and requests that the Arizona Corporation Commission ("Commission") approve the tariff in accordance with Article 7, Title 40 of the Arizona Revised Statutes.

**BACKGROUND**

Until recently, Johnson Utilities had year-to-year access to excess non-potable Central Arizona Project ("CAP") water, and customers could purchase CAP water when it was available under the Company's Non-Potable Central Arizona Project Water Service Tariff. However, Johnson Utilities has received notice that it will no longer be able to acquire excess CAP water after the end of the current calendar year. At the present time, Johnson Utilities has one customer receiving non-potable CAP water, but beginning January 1, 2013, the Company will no longer be able to acquire excess CAP water.

The purpose of the proposed new Non-Potable Water Tariff is to provide customers with an alternative to CAP water for non-potable uses such as turf irrigation. Subject to the terms and conditions of the proposed tariff, Johnson Utilities will provide non-potable water service from one or more existing non-potable wells in areas where:

(i) the Company has an operating non-potable well in reasonable proximity to the customer's requested point-of-delivery; (ii) the Company has legal access to install the facilities necessary to convey non-potable water from the withdrawal well to the point-of-delivery; and (iii) the Company has sufficient available and uncommitted capacity in the withdrawal well to deliver the requested non-potable water to the customer.

The proposed rate for non-potable water service has been set at the current rate for CAP water service so the new Non-Potable Water Tariff is revenue neutral to Johnson Utilities. However, it should be noted that Central Arizona Groundwater Replenishment District taxes will apply to the new non-potable water service whereas such taxes did not apply to the delivery of CAP water.

#### **REQUESTED ACTION BY THE COMMISSION**

Johnson Utilities submits that the proposed Non-Potable Water Tariff is in the public interest and requests that the Commission approve the tariff to become effective thirty (30) days following the date of this filing on September 1, 2012. An original and 13 copies of the attached Non-Potable Water Tariff are being filed this day with Docket Control and a copy of the tariff is available for public inspection at the Company's place of business during normal business hours.

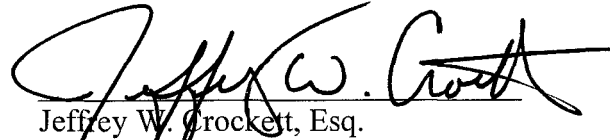
#### **COMMUNICATIONS WITH THE COMPANY**

Communications regarding this matter should be directed to the Company's attorney as follows:

Jeffrey W. Crockett, Esq.  
BROWNSTEIN HYATT FARBER SCHRECK LLP  
One East Washington Street, Suite 2400  
Phoenix, Arizona 85004  
Phone: (602) 382-6234  
E-mail: jcrockett@bhfs.com

1 RESPECTFULLY submitted this 2<sup>ND</sup> day of August, 2012.

2 BROWNSTEIN HYATT FARBER SCHRECK,  
3 LLP

4 

5 Jeffrey W. Crockett, Esq.  
6 One East Washington Street, Suite 2400  
7 Phoenix, Arizona 85004  
8 Attorneys for Johnson Utilities, L.L.C.

9 ORIGINAL and thirteen (13) copies of the  
10 foregoing filed this 2<sup>ND</sup> day of August, 2012, with:

11 Docket Control  
12 ARIZONA CORPORATION COMMISSION  
13 1200 West Washington Street  
14 Phoenix, Arizona 85007

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16 01467600051715133.1

TABLE OF CONTENTS

Sheet

PART ONE .....	1
I. RATES AND CHARGES-WATER .....	1
A. Monthly Water Usage Charge .....	1
B. Commodity Rates .....	2
C. Service Line and Meter Installation Charges .....	4
D. Additional Service Charges .....	5
E. Central Arizona Groundwater Replenishment District Adjustor Charge .....	7
F. Non-Potable Central Arizona Project Water Service .....	8
G. Water Main Extensions .....	10
H. Taxes and Assessments .....	10
I. Permitted Costs .....	11
J. Off-site Facilities Hook-Up Fee .....	11.a
K. Non-Potable Water Service (Limited Availability) .....	11.f
PART TWO .....	12
I. CROSS-CONNECTION CONTROL .....	12
A. Purpose .....	12
B. Inspections .....	12
C. Requirements .....	12
D. Discontinuance of Service .....	13
II. CURTAILMENT .....	14
A. Stage 1 .....	14
B. Stage 2 .....	14
C. Stage 3 .....	15
D. Stage 4 .....	16

Deleted: September 23, 2010

Deleted: October 1, 2011

Issued: August 1, 2012

Effective: September 1, 2012

ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

**TABLE OF CONTENTS**

	Sheet
III. RULES AND REGULATIONS .....	17
PART THREE .....	18.1
I. RATES AND CHARGES-WASTEWATER .....	18.1
A. Monthly Wastewater Usage Charge.....	18.1
B. Service Line Connection Charge .....	19.1
C. Sale of Effluent .....	19.1
D. Additional Service Charges .....	19.1
E. Sewer Collection Main Extensions .....	20
F. Taxes and Assessments .....	20
G. Permitted Costs .....	21
H. Off-site Facilities Hook-Up Fee .....	21.a
PART FOUR .....	22
I. CUSTOMER DISCHARGE TO SEWER SYSTEM .....	22
A. Service Subject to Regulation .....	22
B. Waste Limitations .....	22
C. Inspection and Right of Entry .....	22
D. Termination of Water Service for Violation of Wastewater Rules and Regulations .....	23
II. RULES AND REGULATIONS .....	23

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**PART ONE**  
**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**K. Non-Potable Water Service (Limited Availability).**

1. Availability. Within the Company's certificated area, non-potable water may be purchased when available and subject to the terms and conditions set forth herein. Non-potable water will be supplied from one or more non-potable wells owned by the Company so long as such well or wells remain operational. Accordingly, non-potable water service will be available only in those areas where: (i) the Company has an operating non-potable well in reasonable proximity to the customer's requested point of delivery; (ii) the Company has legal access to install the facilities necessary to convey non-potable water from the withdrawal well to the point of delivery; and (iii) the Company has sufficient available and uncommitted capacity in the withdrawal well to deliver the requested non-potable water to the customer. Non-potable water will be available under this tariff as long as the Company's non-potable well or wells supplying the customer remain operational. The Company has no obligation to make capital improvements or repairs to any non-potable well in order to continue supplying non-potable water to a customer.

2. Suitability. It is solely the customer's responsibility to determine the initial and continuing suitability of the non-potable water furnished under this tariff for any intended uses. The Company does not treat, test or monitor non-potable water and furnishes it to customers strictly on an "as-pumped" basis from the groundwater aquifer underlying the well where the water is withdrawn. The customer agrees to accept non-potable water "as received." Compliance with any requirement of the Arizona Department of Environmental Quality, or any other agency having jurisdiction, concerning the use or quality of non-potable water shall be the sole responsibility of the customer. The Company shall not be liable for, and the customer shall hold harmless, indemnify and defend the Company against, any injuries or damages arising from the Company's provision of non-potable water service to the customer.

3. Non-Potable Water Facilities Contribution Agreement. When applying for non-potable water service under this tariff, the customer shall specify in writing the point of delivery of the non-potable water and the maximum annual quantity of non-potable water in acre feet ("AF") that it intends to use. This information will be used by the Company to determine and design the appropriate facilities that must be installed to serve the customer. The customer shall execute a Non-Potable Water Facilities Contribution Agreement under which the customer will contribute the funds required to install all facilities needed to deliver non-potable water to the customer's point of delivery. The facilities installed under the Non-Potable Water Facilities

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**PART ONE**  
**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

Contribution Agreement shall be owned by the Company and the funds provided by the customer shall be non-refundable, even if the well or wells supplying the non-potable water become non-operational. Unless the Company agrees otherwise, the maximum amount of non-potable water that may be delivered to a customer in any calendar year shall be the maximum annual quantity stated in the Non-Potable Water Facilities Contribution Agreement.

4. Meter Installation Charge. The customer shall pay a meter installation charge based upon the applicable meter size at the rate set forth in Section I(C) of this tariff. The meter installation charge shall be refundable to the customer pursuant to A.A.C. R14-2-405(B)(2).

5. Monthly Bill. The customer's monthly billing shall consist of the following charges:

a. A meter charge based on the applicable monthly minimum charge by meter size as set forth in Section I(A) of this tariff. The meter charge includes no water.

b. A commodity charge of \$0.84 per thousand gallons or \$273.71 per AF.

c. A Central Arizona Groundwater Replenishment District tax assessment fee per thousand gallons as set forth in Section I(E) of this tariff.

d. Applicable taxes and assessments as set forth in Section I(H) of this tariff.

6. Other Charges. The customer shall be responsible for the applicable service charges set forth in Section I(D) of this tariff.

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